

REMARKS

1. Power of Attorney

Please note that the Applicant has transferred power of attorney to the undersigned attorney and firm, and that a new attorney docket number has been assigned to this case.

2. The Amendments and the Support Therefor

Six claims (29-34) have been canceled, three new claims (35-37) have been added, and claim 28 has been amended (into independent form) to leave claims 1-28 and 35-37 in the application (wherein claims 1, 28, 35 and 37 are independent claims). No fee is due because the claims are less than those originally paid for:

FEE CALCULATION

For	Already Paid	No. Extra	Rate (SMALL ENTITY)	Fee (SMALL ENTITY)
Total Claims	31 - 34 =	0	x \$9 =	\$0
Independent Claims	4 - 4 =	0	x \$43 =	\$0
Total:				\$0

The new claims 35-37 are directed to the embodiment of the invention depicted in **FIGS. 1-2** and described at pages 8-9.

3. Rejection of Claim 28 under 35 USC §112(2)

Claim 28 has been amended to independent form, and it is believed that its language is now clear and definite.

4. Rejection of Claims 1-4, 6-9, 11-12, 14-16, 18, 20-24, 27-28 and 31-34 under 35 USC §102 in view of U.S. Patent 5,959,549 to Synesiou et al.

U.S. Patent 5,959,549 to *Synesiou et al.* describes a communal metering system and method in which a single concentrator (CMC 34 in **FIG. 1**) provides metering facilities for up to 20 households or consumer sites 8 (column 3 lines 50-55). As shown in **FIG. 2**, each concentrator 34 includes a number of remote measurement modules 38, each for controlling supply to a respective site 8 (column 3 lines 57-63). A unique identification number and module

address is associated with each remote measurement module 38, allowing consumption data to be matched to credit data (column 4 lines 24-53).

As understood, the Examiner equates the remote measurement module 38 with the recited utility meter of the present claims.¹ However, if this interpretation is used, the utility meter/remote measurement module 38 of *Synesiou et al.* is not "provided at a location" with "an associated location identifier *unique to the location*", as recited in claim 1. Rather, while all utility meters/remote measurement modules 38 of *Synesiou et al.* are provided at a location – a central location (that of the CMC 34/concentrator) – they each have an associated location identifier unique to a *different* (remote) location (that of the site 8/consumer).

Also consider that *Synesiou et al.* describes a communal metering system wherein metering is provided at a location remote to the locations supplied so that the communal metering site can be secured to prevent tampering, and so that meters do not need to be located at each location supplied, thereby reducing costs (column 1 lines 18-25). In order to achieve these objectives, *Synesiou et al.*'s metering must be done at a location remote to that supplied (since the cost reduction is due to communal sharing of the concentrator). If *Synesiou et al.* was modified to meter at the supplied locations themselves, the desired objectives of *Synesiou et al.* would not be met; thus, such a modification would not be contemplated by the ordinary artisan (see MPEP 2143.01, "THE PROPOSED MODIFICATION CANNOT RENDER THE PRIOR ART UNSATISFACTORY FOR ITS INTENDED PURPOSE"). *Synesiou et al.* therefore does not anticipate or render obvious claim 1 or its dependent claims.

Synesiou et al. also does not teach a system as recited in claim 1 in which the utility meter is arranged to communicate with a user interface unit, to obtain a transaction authorisation, and

¹ With respect, it is somewhat difficult from the present rejections to determine which structures/steps of *Synesiou et al.* are regarded as corresponding to the structures/steps of the claims. In future Actions, kindly identify the specific structures/steps which are believed to correspond to the claims, as by indicating the specific names and/or reference numerals assigned by *Synesiou et al.* "[I]t is incumbent upon the examiner to identify wherein each and every facet of the claimed invention is disclosed in the applied reference." *Ex parte Levy*, 17 USPQ2d 1461, 1462 (Bd. Pat. App. & Int. 1990); see also MPEP 707.07(d); 37 CAR §1.104(c)(2).

to transmit the transaction authorisation and location identifier to obtain authorisation of the transaction. *Synesiou et al.* teaches a display unit 73 that can be used by the consumer to communicate with a master control centre 22 (column 5 lines 15-66), wherein the display unit communicates a pin code and credit card number to the master control centre, but there is no description or suggestion that any location identifier is communicated to the master control centre (nor is it evident why communication of the location identifier would be necessary or beneficial, since all the master control centre, display unit, and remote measurement module "care about" is whether payment for electricity is received at a location, regardless of what that location might be).

5. Rejection of Claims 5, 10, 19 and 25 under 35 USC §103(a) in view of U.S. Patent 5,959,549 to *Synesiou et al.*

Claims 5, 10, 19 and 25 are submitted to be allowable for at least the same reasons as claim 1. However, these claims are also submitted to be independently allowable for the following reasons.

Regarding claim 5, this recites a functional attribute of the claimed system. The Examiner does not give the claimed feature any weight because the limitation is apparently regarded as being a mere recitation of intended use, but this is not so: claim 5 recites a capability of the claimed system. Systems in the prior art are capable of having this capability, or of omitting it; therefore, the limitation is capable of distinguishing the invention from the prior art, and it requires consideration. Note that the law plainly sanctions limitations of this nature; see, e.g., *In re Swinehart*, 169 USPQ 226 (CCPA 1971):

We take the characterization "functional", as used by the Patent Office and argued by the parties, to indicate nothing more than the fact that an attempt is being made to define something (in this case, a composition) by what it does rather than by what it is (as evidenced by specific structure or material, for example). In our view, there is nothing intrinsically wrong with the use of such a technique in drafting patent claims. ...

"Functional" terminology may render a claim quite broad. By its own literal terms a claim employing such language covers any and all embodiments which perform the recited function. Legitimate concern often properly exists, therefore, as to whether the scope of

protection defined thereby is warranted by the scope of enablement indicated and provided by the description contained in the specification. This is not to say, however, that every claim containing "functional" terminology is broad. Indeed, in many cases it will be obvious that only a very limited group of objects will fall within the intended category. Such appears to be the case here...

(*Id.* at 228-229, footnotes omitted, emphasis added.) By the emphasized passages above, it is evident that functional language is indeed to be given weight when interpreting claims.² This is no more than the application of the well-known principle that there is no unimportant or immaterial language in a claim, and that a claim must be construed on the basis of all of its limitations.³

Beyond that, the Examiner admits that *Synesiou et al.* does not have the functional feature recited by claim 5. It is stated that *Synesiou et al.* would be capable of having the functional feature "if so programmed," but no there is no indication of where the prior art would motivate one to include the feature, and thus no case of *prima facie* obviousness is made.

² See also *In re Echerd & Watters*, 176 USPQ 321, 322 (CCPA 1973) ("[w]hile the Patent Office may properly require proof that the functional limitations being relied upon are not inherent characteristics of the prior art ... these potentially distinguishing features cannot be ignored"); also, e.g., *In re Ludtke & Sloan*, 169 USPQ 563, 566 (CCPA 1971). Note also that the Federal Circuit has often given effect to functional limitations of claims during claim interpretation, and at no time has implied that functional limitations may be ignored; see, e.g., *Ethicon Endo-Surgery Inc. v. United States Surgical Corp.*, 40 USPQ2d 1019, 1023 (Fed. Cir. 1996); *Greenberg v. Ethicon Endo-Surgery Inc.*, 39 USPQ2d 1783, 1785-1786 (Fed. Cir. 1996); *ZMI Corp. v. Cardiac Resuscitator Corp.*, 6 USPQ2d 1557, 1561 (Fed. Cir. 1988); etc.

³ This is most often noted in the context of claim interpretation during infringement litigation. See, e.g., *Markman v. Westview Instruments Inc.*, 34 USPQ2d 1321, 1327 (Fed. Cir. 1995) (*in banc*), *aff'd.*, 38 USPQ2d 1461 (US Sup. Ct. 1996) ("Both this court and the Supreme Court have made clear that all elements of a patent claim are material, with no single part of a claim being more important or 'essential' than another"); *Perkin-Elmer Corp. v. Westinghouse Elec. Corp.*, 3 USPQ2d 1321, 1324-1325 (Fed. Cir. 1987) ("a court may not ... erase a plethora of meaningful structural and functional limitations of the claim on which the public is entitled to rely in avoiding infringement ... The statement should not be interpreted as sanctioning the treatment of claim limitations as insignificant or immaterial ..."). However, it is often noted during discussions of §102 anticipation; see, e.g., *Constant v. Advanced Micro-Devices Inc.*, 7 USPQ2d 1057, 1064 (Fed. Cir. 1988) ("A claim is anticipated only if each and every element *as set forth in the claim* is found, either expressly or inherently described, in a single prior art reference") (emphasis in original); also *In re Paulsen*, 31 USPQ2d 1671, 1673 (Fed. Cir. 1994); *Corning Glass Works v. Sumitomo Elec. U.S.A., Inc.*, 9 USPQ2d 1962, 1965 (Fed. Cir. 1989); etc.

Similarly, no case of *prima facie* obviousness is made for claim 10. Where are the recited features shown or suggested in the prior art? The "design choice" rationale does not set forth a proper case of *prima facie* obviousness as per MPEP 2143, since the rejection sets forth no evidence whatsoever that the claimed arrangement exists in the prior art, and if so, why one of ordinary skill would regard it as beneficial to incorporate the arrangement into *Synesiou et al.* Rather, it merely sets forth a conclusion of obviousness without making the necessary underlying factual findings required by MPEP 2143. Note that the USPTO has itself recognized that a conclusory statement of "design choice" is an insufficient rationale for a proper obviousness rejection; see, e.g., <http://www.uspto.gov/web/menu/busmethp/busmeth103rej.htm> (not yet incorporated into the MPEP), which states that "[a] simple statement that a difference is a 'design choice' or 'lacks an advantage or unexpected result' is insufficient rationale to support a well written and legally sufficient rejection. These are conclusions, not statements of fact."⁴ Also note that the Board of Patent Appeals and Interferences has frequently overturned rejections based on "design choice" for failure to make the mandated findings.⁵ If the recited features are indeed known for the purposes cited by the Examiner, or for the purposes recited in the claim, supporting evidence should be provided; note MPEP 2144.03.

Regarding claim 19, note the foregoing comments. Additionally, even if the "banking" is regarded as being nonfunctionally descriptive, "data" is still recited, and there is no indication of where *Synesiou* shows or suggests the authorization and "handshake" procedure recited in claim 19.

⁴ While this citation is taken from the Guidelines for §103 rejections of computer-implemented business methods – inventions which are not the same as the one in question here – its rationale is no less applicable here, particularly since the Introduction for the Guidelines states that the bases for rejections of computer-implemented business methods are the same as "for inventions in any field of technology."

⁵ While all relevant cases appear to be unpublished, they can be found on the USPTO website. See, e.g., *Ex parte Bailey* (Bd. Pat. App. & Int., 1998), available at www1.uspto.gov/web/offices/dcom/bpai/bpai/fd981022.pdf ("these claim limitations may not be dismissed as obvious matters of design choice without supporting evidence"); *Ex parte Balcarek* (Bd. Pat. App. & Int. 1995), available at <http://www1.uspto.gov/web/offices/dcom/bpai/bpai/fd954738.pdf> (reversing rejection based on "obvious design choice" since "[a] rejection based on 35 U.S.C. §103 must rest on a factual basis").

Regarding claim 25, note the foregoing comments regarding "design choice" rejections; also note that *Japikse* and its alleged holding – that "rearrangements of parts" are always obvious – have been discredited. This is an improper use of a *per se* rule of obviousness, i.e., relying on a holding in a prior case based on different facts to the current case. This approach is incorrect because it fails to make the fact-intensive inquiry mandated by §103, and it does not show where the prior art would motivate or suggest to one of ordinary skill in the art in question would truly and objectively be led to make the asserted modification or combination. The Court of Appeals for the Federal Circuit has explicitly forbidden the use of *per se* rules in *In re Ochiai*, 37 USPQ2d 1127 (Fed. Cir. 1995):

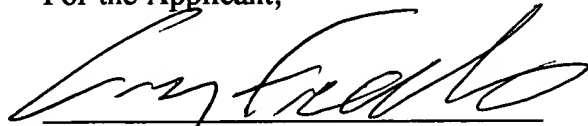
The use of *per se* rules, while undoubtedly less laborious than a searching comparison of the claimed invention -- including all its limitations -- with the teachings of the prior art, flouts section 103 and the fundamental case law applying it. *Per se* rules that eliminate the need for fact-specific analysis of claims and prior art may be administratively convenient for PTO examiners and the Board. Indeed, they have been sanctioned by the Board as well. But reliance on *per se* rules of obviousness is legally incorrect and must cease. Any such administrative convenience is simply inconsistent with section 103, which, according to *Graham* and its progeny, entitles an applicant to issuance of an otherwise proper patent unless the PTO establishes that the invention as claimed in the application is obvious over cited prior art, based on the specific comparison of that prior art with claim limitations. We once again hold today that our precedents do not establish any *per se* rules of obviousness, just as those precedents themselves expressly declined to create such rules. Any conflicts as may be perceived to exist derive from an impermissible effort to extract *per se* rules from decisions that disavow precisely such extraction.

Id. at 1133. See also *Litton Systems Inc. v. Honeywell Inc.*, 39 USPQ2d 1321, 1325 (Fed. Cir. 1996) ("As we expressly recognized in *Ochiai*, the obviousness inquiry is highly fact-specific and not susceptible to *per se* rules. The Supreme Court has underscored the fact intensive nature of the test for obviousness.").

6. In Closing

If any questions regarding the application arise, please contact the undersigned attorney. Telephone calls related to this application are welcomed and encouraged. The Commissioner is authorized to charge any fees or credit any overpayments relating to this application to deposit account number 18-2055.

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